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The situation in the Middle East

Consequences of the Iraqi occupation of and aggression against Kuwait

Sustainable development and international economic cooperation

Letter dated 2 January 2001 from the Permanent Representative of Bahrain to the United Nations addressed to the Secretary-General

I have pleasure in enclosing the Final Declaration of the Twenty-first Session of the Supreme Council of the Cooperation Council for the Gulf Arab States, as well as the Manama Declaration 2000 (see annexes I and II).

I would appreciate it if the present letter and its annexes could be issued as an official document of the General Assembly, under agenda items 40, 56 and 94, and of the Security Council.

(*Signed*) Jassim M. **Buallay**
Ambassador
Permanent Representative

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Annex I to the letter dated 2 January 2001 from the Permanent Representative of Bahrain to the United Nations addressed to the Secretary-General

[Original: Arabic]

Final communiqué adopted by the Supreme Council of the Gulf Cooperation Council at its twenty-first session, held in Manama on 30 and 31 December 2000

At the invitation of His Highness Sheikh Hamad Bin Isa Al Khalifa, Amir of Bahrain, the Supreme Council of the Gulf Cooperation Council (GCC) held its twenty-first session in Manama on 30 and 31 December 2000 under the chairmanship of His Highness. The meeting was attended by:

His Highness Sheikh Maktoum Bin Rashid Al Maktoum, Vice-President and Prime Minister of the United Arab Emirates and Ruler of Dubai;

His Royal Highness Prince Abdullah Bin Abdul-Aziz, Crown Prince, Deputy Prime Minister and Commander of the National Guard of the Kingdom of Saudi Arabia;

His Majesty Sultan Qaboos Bin Said, Sultan of Oman;

His Highness Sheikh Hamad Bin Khalifa Al Thani, Amir of Qatar; and

His Highness Sheikh Jaber Al-Ahmad Al-Jaber Al-Sabah, Amir of Kuwait.

His Excellency Sheikh Jamil Ibrahim Al-Hujeilan, GCC Secretary-General, also participated in the meeting.

The leaders of the GCC countries expressed their happiness that His Highness Sheikh Zayed Bin Sultan Al Nahyan, President of the United Arab Emirates, had returned, his health restored, from medical treatment overseas. They beseech Almighty God to bestow upon His Highness health and well-being and to grant him His assistance in his continued leadership of the United Arab Emirates and his continued participation in advancing the causes of the Arab and Islamic Nation.

The Supreme Council reviewed the results of joint action in the economic, social, political, military, security, cultural and information fields. It expressed satisfaction at the progress made, and it affirmed its genuine desire to advance the GCC process in order to keep pace with ongoing changes at the regional and international levels so as to achieve the worthy aspirations and objectives set forth in the GCC Statute. The Council stressed the importance of continuing the endeavour to promote the security, stability and development of the GCC countries and their peoples.

The cooperation process

Economic matters

The Supreme Council discussed the progress made in economic cooperation among member States on the basis of the reports and recommendations submitted to it by the Ministerial Council, the ministerial committees and the secretariat. It

instructed the relevant committees to reach prompt agreement on the rules, regulations and procedures necessary for the establishment of the GCC Customs Union according to schedule, and it commended the steps taken by Bahrain to lower its customs tariffs in conformity with the policies of the leaders of the GCC countries and in keeping with the measures and procedures required for the inception of the Customs Union.

With a view to promoting the implementation of article 22 of the Unified Economic Agreement, concerning the coordination of financial, monetary and banking policies, enhanced cooperation between monetary institutions and central banks and the endeavour to adopt a single currency and thus complete the process of economic integration, the Council approved a common "peg" for the currencies of member States as a preliminary step towards the achievement of this goal. It instructed the Committee on Financial and Economic Cooperation and the Committee of Governors of monetary institutions and central banks to draw up the necessary programme of work and a specific timetable for submission to the Supreme Council at its next session. It also instructed the Committee of Governors to reach agreement on mechanisms and procedures to simplify the use each member State's currency in the markets of the others.

The Council decided that nationals of each GCC country, whether natural or legal persons, should be allowed to engage in all economic activities and occupations in the other countries with the exception of a restricted number of such activities and occupations to be reserved for nationals of the State in question on an interim basis. It approved the opening to nationals of each GCC State of retail trade operations in other member States and adopted a set of amended rules for nationals of the GCC countries engaged in retail trade.

The Council agreed that the GCC Unified Customs Code should remain in force with recommendatory effect for a further one-year period with a view to its binding application by all member States as of January 2002. It approved the veterinary quarantine regulations and decided that they should enter into force and be binding on all member States after being amended to conform with the corresponding rules and regulations of the World Trade Organization.

The Council adopted a long-term strategy for relations and negotiations between GCC countries on the one hand and States, regional groupings and international organizations on the other, and it decided to ratify the Declaration of Principles on cooperation between the GCC countries and the States members of the European Free Trade Area (EFTA) previously signed by the two parties.

The Council examined the situation in the oil market and took note with satisfaction of the outcome of the efforts made by member States in 2000, in cooperation with other producers within and outside the Organization of the Petroleum Exporting Countries (OPEC) and as endorsed by the OPEC summit in Caracas, to achieve market equilibrium at levels appropriate for both producers and consumers. It affirmed that its members would maintain the same course in 2001 so that the market would remain in equilibrium and prices would remain stable over the period approved by OPEC. In this connection, the Supreme Council instructed the ministers of petroleum and energy of member States to endeavour at the next OPEC meeting to cut production levels and to pursue any other measures that would preserve market equilibrium and secure the target price.

The Council stressed the importance of cooperation between producers and consumers and commended the outcome of the Seventh International Energy Forum, held in Riyadh in November 2000. It welcomed the proposal of His Royal Highness Prince Abdullah Bin Abdul-Aziz of Saudi Arabia that a permanent secretariat should be established for the Forum in order to promote and facilitate dialogue between producers and consumers.

Man and the environment

The Supreme Council agreed that nationals of GCC countries employed in the civil service of any member State should, while serving, be treated in the same manner as nationals of the State to which they are assigned, in accordance with the provisions set forth in the decision of the ministers responsible for central civil service agencies in the GCC countries.

The Council affirmed that it was essential for the authorities concerned with both public and private sectors to continue to augment employment opportunities for citizens, and it instructed them to inform the Council at its next session of the progress made in this regard. It endorsed the recommendations made and mechanisms devised by the Joint Committee to study population structure and the impact of the expatriate workforce, stressing that member States must take the steps necessary to put them into effect.

The Council approved the Joint Curriculum Development Plan that had been submitted by the ministers of education and science as well as the measures and mechanisms necessary for their implementation.

Advisory Board of the Supreme Council

The Supreme Council considered the views of the Advisory Board, its assessment of the progress made in economic cooperation among the GCC countries and its proposals for giving effect to the long-term development strategy as it related to scientific and technical capacity-building. It decided to refer the latter to the relevant ministerial committees to provide guidance for the further development and consolidation of joint economic action by the GCC countries. The Council requested the Advisory Board to explore and to submit its views on the following topics: the further development of the comprehensive educational system; energy and the environment; water strategies; and scientific and technical research.

Legal matters

The Supreme Council decided to approve the Riyadh document for a unified penal code for the GCC countries, with recommendatory effect, for a four-year period. It also decided that the Muscat document for a unified personal status code for the GCC countries should remain in force, with recommendatory effect, for a further four-year period.

Military matters

The Supreme Council considered the measures taken and the studies carried out. It expressed satisfaction at the progress made and the concrete measures taken to strengthen collective defence and military cooperation that had culminated in the Supreme Council's approval of the Joint Defence Treaty between the GCC States

and its signature by the leaders prior to ratification by each member State in accordance with its own procedures.

Security matters

The Supreme Council approved the decisions adopted at the nineteenth meeting of the GCC ministers of the interior, held in Riyadh on 24 and 25 October 2000, in particular those relating to the strengthening of mechanisms for follow-up and for communication between ministries of the interior in order to streamline formalities for the movement of persons and the flow of trade between member States and promote cooperation in the drug control field.

Political issues

The Supreme Council discussed developments in the context of Iraq's compliance with the Security Council resolutions relating to the situation between Iraq and Kuwait and the consequences of its occupation of Kuwait.

In its concern to create appropriate conditions for the achievement and consolidation of security, peace and stability in the Gulf region, the Council renewed its call to Iraq to discharge all of its obligations under the relevant Security Council resolutions, to cooperate with the International Committee of the Red Cross and the Tripartite Commission in devising an expeditious and definitive solution to the problem of Kuwaiti and third-country prisoners and hostages and to return all of the Kuwaiti property in its possession. The Council also urged Iraq to resume its cooperation with the United Nations in order to bring the outstanding issues relating to weapons of mass destruction and monitoring systems to a conclusion. It called upon Iraq and the Security Council to engage in a thoroughgoing dialogue for the discharge of these obligations in a just and comprehensive manner and in accordance with sound principles as a step towards the lifting of sanctions.

The Council stressed that Iraq must undertake to respect the security, independence, sovereignty and territorial integrity of Kuwait and that it must take all necessary steps to demonstrate its peaceful intentions towards the GCC countries if the region's security and stability are to be assured.

The Council once again affirmed that it continued to welcome and to be prepared to participate in all humanitarian initiatives to mitigate the suffering of the Iraqi people. It stressed its resolve that the efforts of the GCC countries to alleviate this suffering within the framework of the relevant resolutions would be maintained.

The Council affirmed that the independence, unity and territorial integrity of Iraq must be respected and that there must be no interference in its internal affairs.

The Council heard a report from the Committee of Three entrusted with the task of elaborating a mechanism to initiate direct negotiations for the peaceful settlement of the issue of Iran's occupation of the three islands belonging to the United Arab Emirates, namely the Greater Tunb, the Lesser Tunb and Abu Musa. It heard that the Islamic Republic of Iran had refused to have anything to do with the Committee in connection with the mandate assigned to it by the Council and that Iran had rejected previous peace initiatives by the United Arab Emirates.

After a comprehensive assessment of developments in connection with the question of Iran's occupation of the three islands, the Supreme Council decided to

instruct the Ministerial Council to examine all the available peaceful means that might be conducive to the restoration to the United Arab Emirates of its legitimate rights in this regard, on the basis of the following principles:

Support for the claim of the United Arab Emirates to the three islands occupied by the Islamic Republic of Iran; and rejection of the continued occupation by the Islamic Republic of Iran of the three islands belonging to the United Arab Emirates;

Affirmation of the full sovereignty of the United Arab Emirates over the three islands as an integral part of the country and of the fact that it retains all of its rights in respect of those islands; and non-recognition of any sovereignty other than that of the United Arab Emirates over its three islands, their territorial waters, their airspace and the related continental shelf and exclusive economic zone;

Rejection of Iran's claims concerning Abu Musa and of the measures it has instituted there and of all of their consequences, given that such measures pose a threat to security and stability in the region and heighten tensions there to the extent that they also threaten international peace and security; and affirmation of the categorical rejection by the GCC countries of the continued occupation of the Greater Tunb and the Lesser Tunb by the Islamic Republic of Iran;

Condemnation of Iran's encroachments and the military exercises that it conducts on the islands belonging to the United Arab Emirates and in their territorial waters; and the requirement that Iran must desist from conducting such exercises given that they are acts of provocation that pose a threat to security and stability in the Arabian Gulf region, constitute a source of great concern and are unhelpful in building confidence;

Support for all the steps being taken by the United Arab Emirates to restore its sovereignty over all three islands by peaceful means, in accordance with the principle of the collective security of the GCC countries; and exhortation of the Islamic Republic of Iran to agree to refer the dispute to the International Court of Justice.

The Supreme Council reviewed the bloody events that have taken place in the occupied Palestinian territories owing to the savage aggression, repressive measures and policies of closure and encirclement directed by Israel against a fraternal Palestinian people seeking the restoration of all of its legitimate rights, including its right to return and to establish an independent State with Jerusalem as its capital. As it expresses its deprecation and condemnation of such aggression and the use of such measures, the Council urges that the Palestinian people be provided with protection against them, and it reaffirms its established and publicly declared position on the establishment of a comprehensive and just peace in the region on the basis of Security Council resolutions 242 (1967) and 338 (1973) and the principle of land for peace.

The Council affirms that a comprehensive peace can only be achieved with the restoration to the Palestinian people of all of its legitimate rights and the establishment of an independent Palestinian State with its capital at Jerusalem, with Israel's full withdrawal from the occupied Syrian Golan Heights to the boundary line of 4 June 1967, with the completion of Israel's withdrawal from Lebanese territory, including the Shab'a farmlands, to the internationally recognized boundary

in accordance with Security Council resolutions 425 (1978) and 426 (1978), and with the release of all the Lebanese prisoners and abductees being held in Israel's prisons.

The Council expresses the hope that the efforts currently under way will lead to a peaceful settlement that will restore the legitimate rights of the Palestinian people. It affirms its complete confidence in the Palestinian negotiators, and it appeals to the international community to make greater efforts to bring pressure to bear on Israel and to require it to abide by the principles endorsed by the Madrid Peace Conference so that all legitimate Arab rights may be restored.

The Supreme Council again called upon the international community to take action to transform the Middle East region, including the Gulf, into a zone free of all weapons of mass destruction, including nuclear weapons. The Council affirmed once more that Israel must accede to the Treaty on the Non-Proliferation of Nuclear Weapons and submit all its nuclear facilities to the International Atomic Energy Agency inspection regime.

The Council expressed support for the resolutions adopted by the Islamic Summit at its ninth session, held in Doha on 12 and 13 November 2000. It expressed its complete confidence that Qatar, under the leadership of its Amir, His Highness Sheikh Hamad Bin Khalifa Al Thani, would, when presiding over the Organization of the Islamic Conference, fulfil its responsibilities with wisdom and skill and would improve the performance and effectiveness of the Organization in such a way as to advance the interests of the Islamic Nation and enhance its impact and presence in the international arena.

The Council expressed its deep appreciation of and gratitude for the genuine and sincere efforts of the Kingdom of Saudi Arabia, under the leadership of the Custodian of the Two Holy Mosques, King Fahd Bin Abdul-Aziz Al Saud, and his brother, His Royal Highness Prince Abdullah Bin Abdul-Aziz Al Saud, Crown Prince, Deputy Prime Minister and Commander of the National Guard, during the term of its presidency of the twentieth session of the Supreme Council. It commended the achievements that had advanced prospects for further progress and greater affluence for the peoples of the region.

The Supreme Council also conveyed its deep appreciation and gratitude to His Highness Sheikh Hamad Bin Isa Al Khalifa, Amir of Bahrain, and to his Government and people for the generous hospitality and genuine fraternal sentiments with which the leaders of the GCC countries had been received. The leaders of the GCC countries commended the attention and interest accorded to the gathering by His Highness Sheikh Hamad Bin Isa Al Khalifa, Chairman of the current session of the Supreme Council. They commended his judicious conduct of the proceedings, which had had a major impact on the important results achieved and the decisions taken, and they expressed the belief that Bahrain, under the leadership if His Highness, would, as it presides over the work of the session, contribute to strengthening this auspicious process and guide it towards new horizons in such a way as to realize the aspirations and ambitions of the peoples of the GCC countries.

The Supreme Council looks forward to meeting at its twenty-second session, scheduled to be held in Oman in December 2001 at the kind invitation of His Majesty Sultan Qaboos Bin Said.

Annex II to the letter dated 2 January 2001 from the Permanent Representative of Bahrain to the United Nations addressed to the Secretary-General

[Original: Arabic]

Manama Declaration 2000 on the strengthening of the GCC process, adopted on 31 December 2000

Conscious of the importance of the intimate and fraternal relations, close historical ties and common destiny that bind its countries and peoples,

Proceeding from the principles enshrined in its Statute that seek to strengthen coordination and cooperation between its member States in all fields as a means to the achievement of integration and unity,

Confident of the contributions that Bahrain, under the leadership of its Amir, His Highness Sheikh Hamad Bin Isa Al Khalifa, can make to consolidating and strengthening the GCC process during its presidency of the Council's forthcoming session in order to guide it towards new horizons that will enable it to cope in a positive manner with the rapid and continuous changes required by the process of globalization at the political, economic, social and cultural levels,

And pursuant to the provisions of the Riyadh Declaration, adopted by the Council at its twentieth session;

The Supreme Council of the Gulf Cooperation Council (GCC), meeting at its twenty-first session, held in Bahrain on 30 and 31 December 2000, reviewed the progress made in the work of the GCC in all sectors in the context of the goals set forth in its Statute and in the Unified Economic Agreement and considered all issues of concern to the GCC countries and their peoples in the light of developments in the Middle East region and in the international arena.

Expressing its approval of the implementing measures taken by member States in accordance with its decisions and commending the efforts of the Ministerial Council and the GCC ministerial committees to establish a solid economic, cultural and social foundation that will meet the requirements of the future and reinforce the joint action process, the Supreme Council declares the importance of the following:

1. Reinforcement and strengthening of the GCC process in terms of enhanced coordination, cooperation, interlinkage and integration, by adopting a unified strategy in the political, economic, security, military, social, information, cultural and scientific fields based on unity of purpose and a common destiny.

2. Inculcation of the principle of the collective security of the GCC countries by strengthening cooperation and coordination with respect to security and defence issues in order to protect national and regional security and maintain the independence, sovereignty and territorial integrity of member States in the framework of compliance with the principles of the Joint Defence Treaty between the GCC States.

3. Accelerated measures to establish a unified Gulf economy, which cannot remain isolated from the influences of the global economy and must be able to interact with the major economic groupings, by revising the rules and regulations

that have recommendatory effect so as to transform them after evaluation into common regulations and enactments on a general basis and within a specific time frame.

4. Assignment of priority in the next stage of the economic cooperation process to the so-called new economy based on knowledge and technology, and particularly to the information and communications technology and e-commerce sectors, given that these sectors are expected to become major sources of economic growth and to require the pursuit of policies and measures to provide the GCC countries with a relative advantage in attracting and absorbing such economic and commercial activities.

5. The enhanced stability of the exchange rates for the currencies of the GCC countries by the adoption of a common "peg" for those currencies and the coordination of financial, economic and monetary policies as a preliminary step towards a single currency and the establishment of a monetary union.

6. Consideration of expediting the programme for the establishment of the GCC Customs Union and for the standardization of customs tariffs between member States on which agreement was reached at the twentieth summit, held in Riyadh, and of accelerating the establishment of the Gulf Common Market.

7. Coordination among member States in studying the commitments and undertakings given by member States to the World Trade Organization under its various agreements, and elaboration of an appropriate mechanism and timetable for the application of these commitments between member States.

8. Exploration of the possibility of creating effective mechanisms for the settlement of disputes between member States concerning the application of the Unified Economic Agreement and the implementation of the decisions adopted by the Supreme Council in economic matters, while assigning a larger role to the GCC Centre for Commercial Arbitration.

9. A review of the question of consensus as the basis for the adoption of economic decisions in light of the fact that the GCC countries have made considerable advances in the cooperation process.